

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

THE HONOURABLE

MR. JUSTICE CAMPBELL

) WEDNESDAY, THE 5TH

)

) DAY OF JANUARY, 2011

IN THE MATTER OF THE COMPANIES' CREDITORS
ARRANGEMENT ACT, R.S.C. 1985, c. C-36, AS AMENDED

IN THE MATTER OF A PLAN OF COMPROMISE OR
ARRANGEMENT OF GRANT FOREST PRODUCTS INC.,
GRANT FOREST PRODUCTS SALES INC., GRANT ALBERTA INC.,
GRANT U.S. HOLDINGS GP, SOUTHEAST PROPERTIES LLC, GRANT
CLARENDON LP, GRANT ALLENDALE LP, GRANT US SALES INC., GRANT
NEWCO LLC, AND GRANT EXCLUDED GP.

Applicants

and

THE TORONTO-DOMINION BANK, in its capacity as agent for secured lenders
holding first lien security and THE BANK OF NEW YORK MELLON, in its
capacity as agent for secured lenders holding second lien security

Respondents

ORDER

(DISCHARGE OF DIRECTORS' CHARGE)

THIS MOTION, made by Ernst & Young Inc., the Court-appointed Monitor (the "**Monitor**") of Grant Forest Products Inc. ("**GFPI**"), Grant Alberta Inc. and Grant Forest Products Sales Inc., for an Order: (a) declaring that none of the D&O Claims (as defined below) filed with the Monitor are claims for which the Applicants are required to indemnify their directors and officers pursuant to paragraph 27 of the Initial Order of the Honourable Mr. Justice Newbould dated June 25, 2009 (the "**Initial Order**"); (b) terminating,

discharging and releasing the Directors' Charge; and (c) sealing the contents of Appendix "A" to the Seventeenth Report (as defined below) was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the Motion Record of the Monitor, the Seventeenth Report of the Monitor (the "**Seventeenth Report**"), and on hearing the submissions of counsel to the Monitor, the Applicants, the Respondents and the independent directors, who do not oppose the motion on being advised by counsel to the Monitor that GFPI will retain sufficient funds to pay and will pay post-filing amounts that GFPI determines it owes with respect to Category 3 and 5 claims (all as described in the Seventeenth Report), and on being advised that the Service List (including all D&O Claimants and counsel to the directors and officers) was served with the Motion Record herein;

DEFINED TERMS

1. **THIS COURT ORDERS** that any defined terms used but not otherwise defined herein shall have the meanings ascribed to such terms in the D&O Claims Order of the Honourable Mr. Justice Campbell dated June 30, 2010 (the "**D&O Claims Order**").

D&O CLAIMS

2. **THIS COURT ORDERS AND DECLARES** that the Monitor has complied with the notification requirements set out in the D&O Claims Order and, accordingly, all D&O Claims, other than the claims attached as Appendix "A" to the Seventeenth Report (not filed), are forever barred and that all such Unasserted Claims are forever extinguished, barred and released and all such Claimants are deemed to have fully and finally released and discharged all Unasserted Claims against each and every Director and Officer. This provision is without

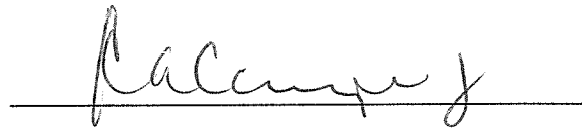
prejudice to the Directors and Officers asserting that the five late filed claims referred to at paragraph 25 of the Seventeenth Report are also barred, released and discharged.

3. **THIS COURT ORDERS AND DECLARES** that none of the Proofs of Claim received by the Monitor, as attached as Appendix "A" to the Seventeenth Report (not filed) either before or after the Claims Bar Date, are claims for which the Applicants are required to indemnify their directors and officers pursuant to paragraph 27 of the Initial Order.

4. **THIS COURT ORDERS THAT** Appendix "A" to the Seventeenth Report will not be included in the Court file.

DIRECTORS' CHARGE

5. **THIS COURT ORDERS** that the Directors' Charge (as defined in and created by paragraph 28 of the Initial Order) is terminated, discharged, and released.



ENTERED AT / INSCRIT À TORONTO
ON / BOOK NO:
LE / DANS LE REGISTRE NO.:

JAN 20 2011

PER / PAR:

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IN THE MATTER OF THE COMPANIES' CREDITORS ARRANGEMENT ACT, R.S.C.
1985, c. C-36

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF
GRANT FOREST PRODUCTS INC., GRANT ALBERTA INC., GRANT FOREST
PRODUCTS SALES INC. AND GRANT U.S. HOLDINGS GP

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

Proceeding commenced at Toronto

**ORDER
(DISCHARGE OF DIRECTORS'
CHARGE)**

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